

INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
ON REVIEW OF INTERIM FINANCIAL INFORMATION
BUILDERSMART PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017

Independent auditor's report on review of interim financial information

To the Board of Directors and the Shareholders of BuilderSmart Public Company Limited:

I have reviewed the accompanying consolidated and separate statements of financial position of BuilderSmart Public Company Limited and its subsidiaries, and of BuilderSmart Public Company Limited, respectively as at September 30, 2017, the consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2017, and the related consolidated and separate statements of changes in shareholders' equity and statements of cash flows for the nine-month period ended September 30, 2017, and condensed notes to interim financial statements ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

Other Matter

The consolidated and separate statements of financial position of BuilderSmart Public Company Limited and its subsidiaries, and of BuilderSmart Public Company Limited, respectively as at December 31, 2016, which have been presented herewith for comparative information were audited by another auditor of our firm, whose report dated February 23, 2017, expressed an unqualified opinion. The consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2017, and the related consolidated and separate statements of changes in shareholders' equity and statements of cash flows for the nine-month period ended September 30, 2017, which have been presented herewith for comparative information, were also reviewed by aforementioned auditor, who concluded, under her report dated November 9, 2016, that nothing had come to her attention that caused her to believe that the accompanying interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

Sathien Vongsnan

Certified Public Accountant

Registration Number 3495

ANS Audit Company Limited

Bangkok, November 13, 2017

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2017

Unit: Baht						
		Consolidated financial statements		Separate financial statements		
		September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	
		"Unaudited"	"Audited"	"Unaudited"	"Audited"	
Notes		"Reviewed"		"Reviewed"		
Assets						
Current assets						
	Cash and cash equivalents	5	177,024,061.86	172,230,283.02	128,041,992.70	149,912,914.10
	Trade and other receivables - net	4, 6	86,750,713.52	91,036,222.78	74,262,148.39	78,472,333.07
	Short-term loan to related parties	4	-	-	100,500,000.00	44,210,000.00
	Inventories - net	7	98,481,887.98	99,817,042.52	53,755,377.55	61,233,728.87
	Other current assets		9,730,372.87	7,283,226.37	1,063,164.99	1,518,417.13
	Total current assets		371,987,036.23	370,366,774.69	357,622,683.63	335,347,393.17
Non-current assets						
	Restricted deposits with financial institutions	8	40,250,000.00	40,250,000.00	38,750,000.00	38,750,000.00
	Investment in subsidiaries company - net	9	-	-	168,024,746.81	170,754,310.00
	Investment in debt securities held to maturity - net	10	11,216,281.40	-	11,216,281.40	-
	Senior living project under development	3, 11	132,467,178.15	125,780,322.74	-	-
	Investment properties - net	3, 12	62,500,000.00	-	-	-
	Building and equipment - net	3, 13	32,186,466.71	25,917,641.36	12,024,610.78	14,218,044.58
	Intangible assets - net	14	12,362,076.36	10,806,052.51	4,858,513.88	4,146,878.57
	Deferred tax assets - net	20	4,149,882.40	4,774,785.00	3,498,420.11	3,595,141.42
	Other non-current assets		5,163,352.40	4,438,425.79	959,228.10	1,239,601.85
	Total non-current assets		300,295,237.42	211,967,227.40	239,331,801.08	232,703,976.42
	Total assets		672,282,273.65	582,334,002.09	596,954,484.71	568,051,369.59

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2017

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
		September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	
		"Unaudited"	"Audited"	"Unaudited"	"Audited"	
Notes		"Reviewed"		"Reviewed"		
Liabilities and shareholders' equity						
Current liabilities						
	Short-term loans from financial institutions	15	4,697,610.15	710,961.50	3,671,375.29	-
	Trade and other payables	4, 16	100,982,470.54	101,495,553.74	84,763,695.55	85,736,741.81
	Customer deposits		29,713,756.93	28,186,413.45	3,306,589.18	4,049,168.07
	Income tax payable		2,886,786.34	3,349,294.01	2,443,593.66	2,867,623.13
	Short-term debentures	17	100,000,000.00	100,000,000.00	100,000,000.00	100,000,000.00
	Current portion of long-term liabilities under finance leases	18	1,514,951.82	1,815,446.45	1,411,690.84	1,441,806.22
	Other current liabilities		2,663,256.41	2,107,435.35	2,638,208.35	2,082,387.05
	Total current liabilities		242,458,832.19	237,665,104.50	198,235,152.87	196,177,726.28
Non-current liabilities						
	Long-term liabilities under finance leases - net	18	1,931,526.80	3,075,086.98	1,895,595.02	2,961,086.60
	Liability for guarantee refund to lessee		43,168,000.00	-	-	-
	Employee benefit obligations	19	7,946,766.34	7,074,285.02	5,072,795.63	5,306,595.00
	Retentions		1,672,479.33	-	-	-
	Deferred tax liabilities - net	20	4,875,183.19	-	-	-
	Total non-current liabilities		59,593,955.66	10,149,372.00	6,968,390.65	8,267,681.60
	Total liabilities		302,052,787.85	247,814,476.50	205,203,543.52	204,445,407.88
Shareholders' equity						
Share capital						
Authorised share capital						
	2,047,361,510 ordinary shares, Baht 0.10 par value	22	204,736,151.00	204,736,151.00	204,736,151.00	204,736,151.00
Issued and paid-up share capital						
	1,695,980,676 ordinary shares, Baht 0.10 par value	22	169,598,067.60	169,598,067.60	169,598,067.60	169,598,067.60
	Premium on share capital	22	142,273,285.93	142,273,285.93	142,273,285.93	142,273,285.93
Retained earnings						
	Appropriated to legal reserve	24	7,609,206.12	6,201,957.15	7,609,206.12	6,201,957.15
	Unappropriated		49,139,881.60	14,576,915.58	72,270,381.54	45,532,651.03
	Other component of shareholders' equity		1,448,506.08	1,688,852.46	-	-
	Total shareholders' equity of the Company		370,068,947.33	334,339,078.72	391,750,941.19	363,605,961.71
	Non-controlling interests		160,538.47	180,446.87	-	-
	Total shareholders' equity		370,229,485.80	334,519,525.59	391,750,941.19	363,605,961.71
	Total liabilities and shareholders' equity		672,282,273.65	582,334,002.09	596,954,484.71	568,051,369.59

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"Unaudited"

"Reviewed"

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
	4, 26				
	Revenue from sales and services	145,698,360.43	129,610,747.83	121,222,573.74	108,471,368.42
	Cost of sales and services	(101,775,343.35)	(96,947,181.75)	(83,755,687.12)	(79,805,822.02)
	Gross profit	43,923,017.08	32,663,566.08	37,466,886.62	28,665,546.40
	Other income	1,299,013.32	1,232,738.56	2,398,873.50	1,113,578.91
	Selling expenses	(18,140,826.69)	(13,153,064.17)	(10,628,234.34)	(9,146,616.65)
	Administrative expenses	(21,684,003.27)	(21,396,686.52)	(15,468,544.16)	(15,225,069.71)
	Loss on impairment of investment in subsidiary	-	-	(2,729,563.19)	-
	Finance costs	(438,066.93)	(1,613,561.55)	(1,543,638.06)	(1,213,307.11)
	Profit (loss) before income tax expense	4,959,133.51	(2,267,007.60)	9,495,780.37	4,194,131.84
	Income tax expenses	(2,935,252.94)	(929,115.22)	(2,478,108.79)	(873,529.75)
	Profit (loss) for the period	2,023,880.57	(3,196,122.82)	7,017,671.58	3,320,602.09
	Other comprehensive income (loss)				
	Items that will not be reclassified to profit or loss				
	Actuarial loss on defined employee benefit plans - net income tax	-	(543,813.38)	-	(382,994.42)
	<i>Items that may be reclassified subsequently to profit or loss</i>				
	Exchange differences on translating financial statements of foreign operation	(143.73)	31,975.14	-	-
	Other comprehensive loss for the period	(143.73)	(511,838.24)	-	(382,994.42)
	Total comprehensive income (loss) for the period	2,023,736.84	(3,707,961.06)	7,017,671.58	2,937,607.67
	Profit (loss) attributable to:				
	Equity holders of the Company	2,030,314.19	(3,174,528.77)	7,017,671.58	3,320,602.09
	Non-controlling interests	(6,433.62)	(21,594.05)	-	-
		2,023,880.57	(3,196,122.82)	7,017,671.58	3,320,602.09
	Total comprehensive income (loss) attributable to:				
	Equity holders of the Company	2,030,170.46	(3,686,367.01)	7,017,671.58	2,937,607.67
	Non-controlling interests	(6,433.62)	(21,594.05)	-	-
		2,023,736.84	(3,707,961.06)	7,017,671.58	2,937,607.67
	Earnings (Loss) per share				
	23				
	Basic earnings (loss) per share (Baht)	0.001	(0.002)	0.004	0.002
	Weighted average number of ordinary shares (Thousands shares)	1,695,981	1,695,981	1,695,981	1,695,981

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"Unaudited"

"Reviewed"

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
	4, 26				
	Revenue from sales and services	403,776,570.23	392,500,145.17	333,228,817.67	318,769,298.96
	Cost of sales and services	(281,664,388.84)	(287,678,812.27)	(225,367,518.64)	(228,789,122.64)
	Gross profit	122,112,181.39	104,821,332.90	107,861,299.03	89,980,176.32
	Other income	9,302,152.11	4,483,169.26	7,631,389.95	2,875,434.24
	Gain on fair value adjustment of investment properties	12	25,137,204.01	-	-
	Selling expenses	(46,360,212.80)	(37,716,679.81)	(28,739,554.79)	(26,746,546.03)
	Administrative expenses	(59,783,521.64)	(66,777,063.77)	(43,529,946.50)	(45,978,086.01)
	Loss on impairment of investment in subsidiary	-	-	(2,729,563.19)	-
	Finance costs	(1,315,264.67)	(3,916,851.52)	(4,609,777.69)	(3,269,843.27)
	Profit before income tax expenses	49,092,538.40	893,907.06	35,883,846.81	16,861,135.25
	Income tax expenses	21	(13,142,231.81)	(7,738,867.33)	(3,027,003.96)
	Profit (loss) for the period	35,950,306.59	(2,260,149.55)	28,144,979.48	13,834,131.29
	Other comprehensive income (loss)				
	Items that will not be reclassified to profit or loss				
	Actuarial loss on defined employee benefit plans - net income tax	-	(543,813.38)	-	(382,994.42)
	<i>Items that may be reclassified subsequently to profit or loss</i>				
	Exchange differences on translating financial statements of foreign operation	(240,346.38)	1,321,285.17	-	-
	Other comprehensive income (loss) for the period	(240,346.38)	777,471.79	-	(382,994.42)
	Total comprehensive income (loss) for the period	35,709,960.21	(1,482,677.76)	28,144,979.48	13,451,136.87
	Profit (loss) attributable to:				
	Equity holders of the Company	35,970,214.99	(2,202,445.19)	28,144,979.48	13,834,131.29
	Non-controlling interests	(19,908.40)	(57,704.36)	-	-
		35,950,306.59	(2,260,149.55)	28,144,979.48	13,834,131.29
	Total comprehensive income (loss) attributable to:				
	Equity holders of the Company	35,729,868.61	(1,424,973.40)	28,144,979.48	13,451,136.87
	Non-controlling interests	(19,908.40)	(57,704.36)	-	-
		35,709,960.21	(1,482,677.76)	28,144,979.48	13,451,136.87
	Earnings (loss) per share	23			
	Basic earnings (loss) per share (Baht)	0.021	(0.001)	0.017	0.009
	Weighted average number of ordinary shares (Thousands shares)	1,695,981	1,522,125	1,695,981	1,522,125

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"Unaudited"

"Reviewed"

Unit: Baht										
Consolidated financial statements										
Equity attributable to shareholders' equity of the Company										
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of shareholders' equity			Total other components of shareholder's equity	Non-controlling interests	Total Shareholders' Equity
			Appropriated for legal reserve	Unappropriated	Actuarial loss on defined employee benefit plans	Translating financial statements	Total			
	169,598,067.60	142,273,285.93	6,201,957.15	14,576,915.58	-	1,688,852.46	1,688,852.46	334,339,078.72	180,446.87	334,519,525.59
Changes in equity for the period :										
	-	-	-	35,970,214.99	-	(240,346.38)	(240,346.38)	35,729,868.61	(19,908.40)	35,709,960.21
24	-	-	1,407,248.97	(1,407,248.97)	-	-	-	-	-	-
	<u>169,598,067.60</u>	<u>142,273,285.93</u>	<u>7,609,206.12</u>	<u>49,139,881.60</u>	<u>-</u>	<u>1,448,506.08</u>	<u>1,448,506.08</u>	<u>370,068,947.33</u>	<u>160,538.47</u>	<u>370,229,485.80</u>
	141,740,412.20	33,218,201.33	5,063,313.21	31,569,768.02	-	396,050.74	396,050.74	211,987,745.50	600.00	211,988,345.50
Changes in equity for the period :										
22	27,857,655.40	109,055,084.60	-	-	-	-	-	136,912,740.00	-	136,912,740.00
	-	-	-	(4,675,411.53)	-	-	-	(4,675,411.53)	-	(4,675,411.53)
	-	-	-	(543,813.38)	543,813.38	-	543,813.38	-	-	-
	-	-	-	(2,202,445.19)	(543,813.38)	1,321,285.17	777,471.79	(1,424,973.40)	(57,704.36)	(1,482,677.76)
Increase in non-controlling interests										
	-	-	-	-	-	-	-	-	244,750.00	244,750.00
24	-	-	691,706.56	(691,706.56)	-	-	-	-	-	-
	<u>169,598,067.60</u>	<u>142,273,285.93</u>	<u>5,755,019.77</u>	<u>23,456,391.36</u>	<u>-</u>	<u>1,717,335.91</u>	<u>1,717,335.91</u>	<u>342,800,100.57</u>	<u>187,645.64</u>	<u>342,987,746.21</u>

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"Unaudited"

"Reviewed"

Unit: Baht							
Separate financial statements							
Notes			Retained earnings		Other component of shareholders' equity		Total Shareholders' Equity
	Issued and paid-up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Other comprehensive loss - Actuarial loss on defined employee benefit plans	Total other components of shareholder's equity	
Balance as at January 1, 2017	169,598,067.60	142,273,285.93	6,201,957.15	45,532,651.03	-	-	363,605,961.71
Changes in equity for the period :							
Total comprehensive income for the period	-	-	-	28,144,979.48	-	-	28,144,979.48
Appropriated to legal reserve	-	-	1,407,248.97	(1,407,248.97)	-	-	-
Balance as at September 30, 2017	169,598,067.60	142,273,285.93	7,609,206.12	72,270,381.54	-	-	391,750,941.19
Balance as at January 1, 2016	141,740,412.20	33,218,201.33	5,063,313.21	28,956,822.12	-	-	208,978,748.86
Changes in equity for the period :							
Increase in share capital	27,857,655.40	109,055,084.60	-	-	-	-	136,912,740.00
Dividend payment	-	-	-	(4,675,411.53)	-	-	(4,675,411.53)
Transferred to retained earnings	-	-	-	(382,994.42)	382,994.42	382,994.42	-
Total comprehensive income for the period	-	-	-	13,834,132.29	(382,994.42)	(382,994.42)	13,451,137.87
Appropriated to legal reserve	-	-	691,706.61	(691,706.61)	-	-	-
Balance as at September 30, 2016	169,598,067.60	142,273,285.93	5,755,019.82	37,040,841.85	-	-	354,667,215.20

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"Unaudited"
"Reviewed"

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities:				
Profit before income tax	49,092,538.40	893,907.06	35,883,846.81	16,861,136.25
Adjustment to reconcile profit to net cash by (used in) operating activities				
Allowance for doubtful accounts (reversal)	(1,011,919.71)	1,265,767.80	(1,061,859.39)	1,096,240.42
Allowance for obsolete inventory (reversal)	448,364.51	(352,141.48)	309,590.09	-
Allowance for impairment loss of investment in subsidiary	-	-	2,729,563.19	-
(Gain) loss on disposal of assets	151,511.33	-	(9,344.79)	(4,448.17)
Depreciation and amortization	8,153,094.18	6,170,076.08	4,081,575.67	3,482,996.56
Gain on fair value adjustment of investment properties	(25,137,204.01)	-	-	-
Unrealized gain on exchange rate - net	(1,112,869.48)	(275,887.11)	(1,081,313.49)	(248,145.58)
Employee benefit expenses	872,481.32	901,072.50	586,110.86	578,676.00
Transfer out of employee benefit obligations within the Group	-	-	(819,910.23)	-
Interest income	(1,555,426.64)	-	(5,652,516.64)	-
Finance costs	1,315,264.67	3,916,851.52	4,609,777.69	3,269,843.27
Profit from operations before changes in operating assets and liabilities	31,215,834.57	12,519,646.37	39,575,519.77	25,036,298.75
Operating assets (increase) decrease				
Trade and other receivables	5,954,271.52	(13,436,521.14)	6,224,453.74	(8,702,803.46)
Inventories	886,790.03	5,954,793.84	7,168,761.23	7,534,176.21
Other current assets	(2,447,146.50)	4,067,785.08	455,252.14	1,718,801.34
Other non-current assets	(724,926.61)	(1,462,249.10)	280,373.75	(809,968.88)
Operating liabilities increase (decrease)				
Trade and other payables	(4,095,309.64)	9,403,325.82	(3,828,389.81)	20,657,323.90
Customer deposits	1,527,343.48	3,008,383.88	(742,578.89)	1,084,542.54
Other current liabilities	555,821.06	(593,386.52)	555,821.30	(593,386.52)
Liability for guarantee refund to lessee	43,168,000.00	-	-	-
Retentions	1,672,479.33	-	-	-
Cash received from operating activities	77,713,157.24	19,461,778.23	49,689,213.23	45,924,983.88
Cash paid for corporate income tax	(8,095,120.80)	(3,156,585.80)	(8,066,175.49)	(3,156,585.80)
Net cash flow provided by operating activities	69,618,036.44	16,305,192.43	41,623,037.74	42,768,398.08

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"Unaudited"
"Reviewed"

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Cash payment for short-term loan to related parties	-	-	(56,290,000.00)	(33,210,000.00)
Cash received from short-term loan to related party	-	-	-	5,000,000.00
Cash payment for senior living project under development	(40,486,299.36)	(103,235,199.85)	-	-
Cash payment for purchase of fixed assets	(13,608,124.99)	(4,171,438.31)	(1,512,824.78)	(2,835,633.47)
Cash receipt from sales of fixed assets	9,345.79	101,775.32	9,345.79	96,058.87
Cash payment for purchase of computer software	(2,654,750.20)	(5,760,649.00)	(1,086,953.40)	(945,400.00)
Cash payment for purchase of investment in debt securities held to maturity	(11,255,362.40)	-	(11,255,362.40)	-
Payment for investment in subsidiaries	-	-	-	(100,499,960.00)
Cash received from decreasing of shares capital in subsidiary	-	-	-	1,500,000.00
Cash received from disposal of investment in subsidiary	-	245,090.00	-	245,050.00
Cash received from interest income	1,480,945.14	-	4,814,705.14	-
Increase in restricted deposit at bank	-	(6,000,000.00)	-	(6,000,000.00)
Net cash flows used in investing activities	(66,514,246.02)	(118,820,421.84)	(65,321,089.65)	(136,649,884.60)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	3,986,648.65	(45,681,957.01)	3,671,375.29	(45,838,259.99)
Payment of long-term liabilities under finance leases	(1,609,455.18)	(1,240,436.20)	(1,248,168.15)	(702,386.75)
Cash receipt from capital increase	-	136,912,740.00	-	136,912,740.00
Dividend payment	-	(4,675,411.53)	-	(4,675,411.53)
Cash paid for finance costs	(561,400.47)	(4,158,193.75)	(596,076.63)	(3,511,186.50)
Net cash flows provided by financing activities	1,815,793.00	81,156,741.51	1,827,130.51	82,185,495.23
Net increase (decrease) in cash and cash equivalent	4,919,583.42	(21,358,487.90)	(21,870,921.40)	(11,695,991.29)
Exchange differences on translating financial statements of foreign operation	(125,804.58)	1,321,284.16	-	-
Cash and cash equivalents at beginning of period	172,230,283.02	118,318,358.69	149,912,914.10	99,147,482.64
Cash and cash equivalents at ending of period	177,024,061.86	98,281,154.95	128,041,992.70	87,451,491.35
Supplemental cash flows information				
Non-cash transactions				
Increase of assets under finance lease agreement	-	1,129,205.61	-	1,129,205.61
Capitalised borrowing costs relating to the acquisition of senior living project under development	3,563,352.04	-	-	-

BUILDERSMART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017
(UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

BuilderSmart Public Company Limited (“the Company”) has its registered address at 905/7, Rama III Soi 51, Rama III Rd., Bang Pong Pang, Yan Nawa, Bangkok. The Company has a branch located at 636/11-12 Moo 3, Puttharaksa Rd, Praksa, Muang, Samutprakarn.

The Company principally engages in the retail sale of construction materials, tools and equipment for construction and interior design. The Company was listed on the Stock Exchange of Thailand on February 14, 2008. The Company’s shares are traded on the mai (Market for Alternative Investment).

2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2016), Interim Financial Reporting.

The interim financial statements consist of primary financial information (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity, and statement of cash flows). The Company has chosen to present the interim financial statements in a format consistent with the annual financial statements, in compliance with Thai Accounting Standard No. 1, Presentation of Financial Statements. The notes to the interim financial statements are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial statements have been prepared in the Thai language and expressed in Thai Baht. Such interim financial statements have been prepared for domestic reporting purposes. For convenience only, for the readers not conversant with the Thai language, an English version of the interim financial statements has been provided by translating from the Thai version of the interim financial statements.

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2016. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2016.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements, related to the Company and its subsidiaries (together referred to as the “Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2016.

There is no change in the structure of the Group during the current period.

New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and those of its subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation used for preparation of the financial statements for the year ended December 31, 2016, except for the following:

Senior Living Project

During the Second quarter of 2017, the Management of a subsidiary considered the appropriateness of accounting policies related to the community village project for lessees over 50 years of age (“Senior Living Project”). As a result, Management of the subsidiary adopted a new accounting policy in current period as detailed below.

Senior Living Project under development

The Senior Living Project under development is stated at cost, consisting of land costs, design and consultant fees, utilities costs, construction costs, and directly related interest and expenses.

Senior living residence Villas will be leased under a lease agreement - guaranteed refund. Senior living residence Apartment units will be leased under lease agreement - guaranteed refund or under a lease agreement - shared capital gain/loss on the price difference between the original agreement and the new agreement.

In determining the costs of land and Villas or Apartment units for transfer as investment property for purposes of an operating lease agreement or for transfer as Costs of Property Development for Sale for a finance lease agreement, including the costs of the land and club house, and common assets upon which service fees are charged separate from the lease agreement for transfer as property, plant and equipment, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and Villas, Apartment units, club house and common assets, on the basis of area.

The construction of the Senior Living Project in progress, originally presented as investment properties stated at cost, has changed to the Senior Living Project under development stated at cost. Therefore, the statement of financial position as at December 31, 2016 is presented herewith for comparative purposes. It has been restated as follows:

	Unit: Baht
	<u>Consolidate statements</u>
Increase in Senior Living Project under development	125,780,322.74
Decrease in investment property - net	(125,780,322.74)

Investment properties

Retirement sector investment properties include land and buildings, equipment and furnishings relating to projects development for the active lifestyle and retirement sector, including units and facilities held under development. These units are intended to be held for the long term for capital appreciation. Investment properties are initially measured according to cost transferred from the Senior Living Project under development. Subsequent to initial recognition investment properties are revalued on a regular basis and restated to fair value as determined by an independent registered valuer. Any change in fair value is taken to profit or loss.

Inventories

Retirement sector development properties where there is a long-term lease rental is treated as a financial lease and accounted for as Inventory under TAS17.

Long-term lease agreements (lessor)

(A) Operating lease

The lease fee has received as date of entered into the agreement equal to the refund amount to lessee are recognized in liability for guarantee refund to lessee, presented in statement of financial position.

(B) Finance lease

A lump sum lease fee received on the date of the agreement is recognised as revenue on a sale for the Senior Living Project.

Investment in debt securities held to maturity

Investment in debt securities, due within expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to interest income.

4. RELATED PARTY TRANSACTIONS AND BALANCES

4.1 Significant transactions with related parties for the three-month periods ended September 30, 2017 and 2016 are as follows:

	Unit: Baht				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
Revenue from sales and services					
<u>Subsidiaries</u>					
Install Direct Company Limited	-	-	40,137.00	1,956,821.00	Carried out on commercial terms and conditions
D&W (Asia) Limited	-	-	55,167.48	82,680.00	Carried out on commercial terms and conditions
Sansara Development Limited	-	-	2,220.00	-	Carried out on commercial terms and conditions
<u>Related person</u>					
Director	-	7,411.00	-	-	Carried out on commercial terms and conditions
Cost of sales and services					
<u>Subsidiary</u>					
D&W (Asia) Limited	-	-	234,190.00	305,688.00	Carried out on commercial terms and conditions
Rental income					
<u>Subsidiaries</u>					
Install Direct Company Limited	-	-	10,500.00	10,500.00	Carried out on commercial terms and conditions
D&W (Asia) Limited	-	-	152,700.00	-	Carried out on commercial terms and conditions
Interest income					
<u>Subsidiaries</u>					
D&W (Asia) Limited	-	-	-	431,643.81	Interest rate of 6.5% per annum
Sansara Development Limited	-	-	1,355,790.14	8,506.85	Interest rate of 5-5.5% per annum
Building Bling Limited	-	-	7,876.71	-	Interest rate of 6.25% per annum

	Unit: Baht				Pricing policy
	Consolidated financial		Separate financial		
	statements		statements		
	2017	2016	2017	2016	
Rental expenses					
<u>Group of persons - related party</u>					
Sobreuk (Group of persons)	825,450.00	825,450.00	825,450.00	825,450.00	Based on a rental agreement which is not in excess of market-value

Significant transactions with related parties for the nine-month periods ended September 30, 2017 and 2016 are as follows:

	Unit: Baht				Pricing policy
	Consolidated financial		Separate financial		
	statements		statements		
	2017	2016	2017	2016	
Revenue from sales and services					
<u>Subsidiaries</u>					
Install Direct Company Limited	-	-	239,844.00	5,990,468.21	Carried out on commercial terms and conditions
D&W (Asia) Limited	-	-	192,202.48	534,078.25	Carried out on commercial terms and conditions
Sansara Development Limited	-	-	33,264.64	-	Carried out on commercial terms and conditions
<u>Related person</u>					
Director	-	7,411.00	-	-	Carried out on commercial terms and conditions
Cost of sales and services					
<u>Subsidiary</u>					
D&W (Asia) Limited	-	-	349,742.28	2,711,018.00	Carried out on commercial terms and conditions
Rental income					
<u>Subsidiaries</u>					
Install Direct Company Limited	-	-	31,500.00	31,500.00	Carried out on commercial terms and conditions
D&W (Asia) Limited	-	-	458,100.00	-	Carried out on commercial terms and conditions
Interest income					
<u>Subsidiaries</u>					
D&W (Asia) Limited	-	-	-	710,068.47	Interest rate of 6.5% per annum

	Unit: Baht				Pricing policy
	Consolidated financial		Separate financial		
	statements		statements		
	2017	2016	2017	2016	
Sansara Development Limited	-	-	3,966,692.20	8,506.85	Interest rate of 5-5.5% per annum
Building Bling Limited	-	-	8,732.87	-	Interest rate of 6.25% per annum
Rental expenses					
<u>Group of persons - related party</u>					
Sobreuk (Group of persons)	2,476,350.00	2,476,350.00	2,476,350.00	2,476,350.00	Based on a rental agreement which is not in excess of market-value

4.2 Significant balances between the Company and those related companies as at September 30, 2017 and December 31, 2016 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade and other receivables - net				
Trade receivables				
<u>Subsidiaries</u>				
Install Direct Company Limited	-	-	4,924,470.63	9,279,018.98
D&W (Asia) Limited	-	-	291,085.45	342.40
Sansara Development Limited	-	-	2,375.40	-
Total trade receivables	-	-	5,217,931.48	9,279,361.38
Other receivables				
Other receivables				
<u>Subsidiaries</u>				
Install Direct Company Limited	-	-	14,980.00	3,745.00
D&W (Asia) Limited	-	-	-	82,696.30
Total	-	-	14,980.00	86,441.30
Advances to related parties				
<u>Subsidiaries</u>				
Install Direct Company Limited	-	-	173,822.30	208,586.76
D&W (Asia) Limited	-	-	49,337.10	71,196.94
Building Bling Limited	-	-	259.00	3,666.00
Sansara Development Limited	-	-	24,270.14	84,024.53
Sansara Lifestyle Services Company Limited	-	-	52,100.00	51,100.00
BuilderSmart Construction Systems Private Limited	-	-	3,594,125.75	3,420,674.93

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Less</u> Allowance for doubtful accounts	-	-	(3,420,674.93)	(3,420,674.93)
Total	-	-	473,239.36	418,574.23
Accrued interest income				
<u>Subsidiaries</u>				
Sansara Development Limited	-	-	898,947.80	143,494.52
Building Bling Limited	-	-	7,876.72	-
Total	-	-	906,824.52	143,494.52
Total other receivables	-	-	1,395,043.88	648,510.05
Total trade and other receivables - net	-	-	6,612,975.36	9,927,871.43
Short-term loans to				
<u>Subsidiaries</u>				
Sansara Development Limited	-	-	100,000,000.00	44,210,000.00
Building Bling Limited	-	-	500,000.00	-
Total short-term loans to	-	-	100,500,000.00	44,210,000.00
Trade and other payables				
Trade payables				
<u>Subsidiary</u>				
D&W (Asia) Limited	-	-	250,583.30	3,049.50
Total trade payable	-	-	250,583.30	3,049.50
Other payable				
Other payable				
<u>Subsidiary</u>				
D&W (Asia) Limited	-	-	-	1,187,729.73
<u>Related persons</u>				
Directors	35,743.55	-	-	-
Total	35,743.55	-	-	1,187,729.73
Advances from related parties				
<u>Subsidiary</u>				
Sansara Development Limited	-	-	275,000.00	-
<u>Related persons</u>				
Directors	261,366.91	1,244,307.39	15,856.70	43,100.00
Total	261,366.91	1,244,307.39	290,856.70	43,100.00
Total other payables	297,110.46	1,244,307.39	290,856.70	1,230,829.73
Total trade and other payables	297,110.46	1,244,307.39	541,440.00	1,233,879.23

4.3 During the nine-month period ended September 30, 2017, movements of short-term loans to related parties were as follows:

	Unit: Baht			
	Separate financial statement			
	As at January 1, 2017	Movement during the period		As at September 30,2017
	Increase	Decrease		
<u>Short-term loans to related parties</u>				
<u>Subsidiaries</u>				
Sansara Development Limited	44,210,000.00	55,790,000.00	-	100,000,000.00
Building Bling Limited	-	500,000.00	-	500,000.00
Total	44,210,000.00	56,290,000.00	-	100,500,000.00

The Company provided short-term loans to its subsidiary company, Sansara Development Limited, in term of loan agreement for the purpose of development and construction of a Senior Living Project. The loans bear interest at the rate of 5 - 5.5% per annum and is due at call.

The Company provided a short-term loan to its subsidiary company, Building Bling Co., Ltd, in term of loan agreement for the purpose for development of louvre system with Louvre Systems Ltd. The loans bear interest at the rate of 6.25% per annum and is due at call.

4.4 Key management personnel compensation

Key management personnel compensation for the three-month periods ended September 30, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term benefits	8,731,048.50	8,877,672.84	6,043,186.50	5,772,824.67
Post-employment benefits	436,045.12	376,363.53	268,030.81	215,034.01
Total key management personnel compensation	9,167,093.62	9,254,036.37	6,311,217.31	5,987,858.68

Key management personnel compensation for the nine-month periods ended September 30, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term benefits	25,768,641.38	25,231,436.17	17,508,628.50	17,575,743.67
Post-employment benefits	1,306,741.27	1,061,368.60	800,331.33	703,021.58
Total key management personnel compensation	27,075,382.65	26,292,804.77	18,308,959.83	18,278,765.25

4.5 Operating leases and service agreements

As at September 30, 2017, the Group entered into a long-term lease of land and building with Sobreuk (Group of persons) for periods of 1 year to 5 years. The future minimum lease payments are summarized as follows:

Year	Unit: Baht
Within 1 year	1,125,750.00
Over 1 year but not over 5 years	-

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	354,467.36	241,486.16	157,184.50	65,000.00
Cash at banks - saving accounts	37,275,806.55	52,454,849.35	14,748,192.61	31,416,763.03
Cash at banks - current accounts	3,419,433.25	4,454,910.45	2,162,260.89	3,352,114.01
High liquidity short-term investments	135,974,354.70	115,079,037.06	110,974,354.70	115,079,037.06
Total	177,024,061.86	172,230,283.02	128,041,992.70	149,912,914.10

6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables - net as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Trade receivables - other parties	88,011,794.46	83,970,308.89	73,743,566.65	76,677,142.02
Trade receivables - related parties	-	-	5,217,931.48	9,279,361.38
<u>Less</u> Allowance for doubtful accounts	(12,699,282.50)	(13,711,202.21)	(8,740,908.51)	(9,802,767.90)
Total trade receivables - net	75,312,511.96	70,259,106.68	70,220,589.62	76,153,735.50
Other receivables				
Other receivables - related parties	-	-	14,980.00	86,441.30
Advances to subsidiaries	-	-	3,893,914.29	3,839,249.16
Accrued interest income - related parties	-	-	906,824.52	143,494.52
Accrued income	1,805,508.54	10,431,319.48	995,397.04	995,397.04
Prepaid expenses	2,499,240.08	2,710,354.04	1,195,908.54	479,146.24
Revenue Department receivable	6,635,284.80	7,474,098.50	91,289.88	88,307.30
Others	498,168.14	161,344.08	363,919.43	107,236.94
<u>Less</u> Allowance for doubtful accounts	-	-	(3,420,674.93)	(3,420,674.93)
Total other receivables - net	11,438,201.56	20,777,116.10	4,041,558.77	2,318,597.57
Total trade and other receivables - net	86,750,713.52	91,036,222.78	74,262,148.39	78,472,333.07

As at September 30, 2017 and December 31, 2016, aging of trade receivables were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - other parties				
Within credit term	53,068,510.06	49,536,330.79	50,983,322.16	48,671,998.70
Over credit term				
Up to 3 months	17,817,310.85	18,837,778.41	13,223,911.33	17,633,518.48
3-6 months	4,012,110.41	2,331,984.84	1,463,868.10	1,465,736.27
6-12 months	722,137.12	1,921,349.90	300,660.64	512,200.47
Over 12 months	12,391,726.02	11,342,864.95	7,771,804.42	8,393,688.10
Total trade receivables - other parties	88,011,794.46	83,970,308.89	73,743,566.65	76,677,142.02
<u>Less</u> Allowance for doubtful accounts	(12,699,282.50)	(13,711,202.21)	(8,740,908.51)	(9,802,767.90)
Total trade receivables - other parties - net	75,312,511.96	70,259,106.68	65,002,658.14	66,874,374.12
Trade receivables - related parties				
Within credit term	-	-	89,111.74	979,452.32
Over credit term				
Up to 3 months	-	-	304,308.51	1,411,481.94
3-6 months	-	-	130,663.05	1,614,530.49
6-12 months	-	-	2,416,602.49	4,947,871.75
Over 12 months	-	-	2,277,245.69	326,024.88
Total trade receivables - related parties	-	-	5,217,931.48	9,279,361.38
Total trade receivables - net	75,312,511.96	70,259,106.68	70,220,589.62	76,153,735.50

7. INVENTORIES - NET

Inventories - net as at September 30, 2017 and December 31, 2016 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Finished goods	86,095,654.14	89,809,174.85	56,478,945.54	63,009,780.52
Work-in-progress	16,596,414.16	13,769,683.48	491,366.38	1,129,292.63
<u>Less</u> Allowance for obsolete inventory	(4,210,180.32)	(3,761,815.81)	(3,214,934.37)	(2,905,344.28)
Net	98,481,887.98	99,817,042.52	53,755,377.55	61,233,728.87

8. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

As at September 30, 2017 and December 31, 2016, the Group held time deposits with two commercial banks in the total amount of Baht 40.25 million. The deposits were pledged as collateral short-term trade financing facilities (Note 15) and guarantees of payments for goods to suppliers (Note 27.3).

9. INVESTMENTS IN SUBSIDIARIES COMPANY - NET

The details of investments in subsidiaries presented in the separate financial statements as at September 30, 2017 and December 31, 2016 consisted of:

Company	Nature of business	Issued and paid-up capital		Shareholding proportion (%)		Unit: Thousand Baht	
		Unit: Thousands Baht	Unit: Thousands Rupee	2017	2016	At cost	
		2017	2016	2017	2016	2017	2016
Install Direct Company Limited	Provide aluminum installation services	10,000.00	-	100.00	100.00	9,999.70	9,999.70
BuilderSmart Construction Systems Private Limited	Sale of construction materials and after-sale services	-	1,000.00	100.00	100.00	683.80	683.80
D&W (Asia) Limited	Sales of doors, windows, architectural systems and services under the brand "Fletcher"	60,000.00	-	100.00	100.00	59,999.70	59,999.70
Building Bling Limited	Retailing of home improvement	500.00	-	50.99	50.99	254.95	254.95
Sansara Development Company Limited	Property development in the Senior Living Project	100,000.00	-	100.00	100.00	99,999.98	99,999.98
Sansara Lifestyle Service Company Limited	Accommodation services for the Senior Living Project	500.00	-	100.00	100.00	499.98	499.98
Total						171,438.11	171,438.11
	Less Allowance for impairment loss of investments					(3,413.36)	(683.80)
	Net					168,024.75	170,754.31

10. INVESTMENT IN DEBT SECURITIES HELD TO MATURITY - NET

Movements of the investment in debt securities held to maturity - net account during the nine-month period ended September 30, 2017 are summarized below:

	Unit: Baht
	Consolidated and separate financial statements
Net book value as at January 1, 2017	-
Acquisition	11,255,362.40
Accumulated amortization	(39,081.00)
Net book value as at September 30, 2017	11,216,281.40

Such investment is investment in government bond with maturity date on December 12, 2025 and receive interest by twice per year at an interest rate of 3.85% per annum.

11. SENIOR LIVING PROJECT UNDER DEVELOPMENT

Movement of the senior living project under development account during the nine-month period ended September 30, 2017 is summarized below:

	Unit: Baht
	Consolidated financial statement
Accumulated project costs as at January 1, 2017	125,780,322.74
Additions	44,049,651.40
Total	169,829,974.14
Transfer to investment properties - accumulated	(37,362,795.99)
Accumulated project costs as at September 30, 2017	132,467,178.15

For the nine-month period ended September 30, 2017, interest expenses of loans for the construction of the Senior Living Project, in the amount of Baht 4.93 million, have been capitalized as part of the cost of the Senior Living Project under development.

As at September 30, 2017, the estimated expense to the subsidiary for development and construction of opened projects to completion (excluding the costs of land and construction already recorded) is Baht 189.48 million.

12. INVESTMENT PROPERTIES - NET

Movement of the investment properties - net account during the nine-month period ended September 30, 2017 is summarized below:

	Unit: Baht
	Consolidated financial statement
	Senior Living Project - Villas
As at January 1, 2017	-
Transfer from Senior Living Project under development	37,362,795.99
Gain on fair value adjustment (Level 2)	25,137,204.01
As at September 30, 2017	62,500,000.00
Cost	37,362,795.99
Accumulated gain on fair value adjustment	25,137,204.01
Fair value - net	62,500,000.00

The fair value of investment properties - net of the subsidiary, assessed by the independent appraiser Fast and Fair Valuation Co., Ltd., according to the appraisal report dated as at August 10, 2017. The appraisal value has been appraised by using Market Comparison Approach are categorised as a Level 2 fair value based on the inputs to the valuation technique used.

During the third quarter of 2017, lessee entered into Villa Rental two contracts Agreements. The subsidiary entered into a lease agreement to lease back a residential Villa from a lessee for a 3-year for use as a project show-unit. The quarterly rental fee is total Baht 738,871.02.

13. BUILDING AND EQUIPMENT - NET

Movements of the building and equipment - net account during the nine-month period ended September 30, 2017 are summarized below:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Net book value as at January 1, 2017	25,917,641.36	14,218,044.58
Acquisitions during the period - cost	13,608,124.99	1,512,824.78
Disposal during the period - net book value at the date of disposal	(1.00)	(1.00)
Depreciation for the period	(7,215,223.95)	(3,706,257.58)
Exchange differences on translating financial statements	(124,074.69)	-
Net book value as at September 30, 2017	32,186,466.71	12,024,610.78

Depreciations for the nine-month periods ended September 30, 2017 and 2016, have been charged to profit or loss of consolidated financial statements amounting to Baht 7.22 million and Baht 5.65 million, respectively, and have been charged to profit or loss of separate financial statements amounting to Baht 3.71 million and Baht 3.17 million, respectively.

The gross carrying amount of fully depreciated assets of the Group that were still in use as at September 30, 2017 amounted to Baht 45.36 million (December 31, 2016: Baht 43.36 million).

As at September 30, 2017, the Group has vehicles under financial lease agreements with a net book value of Baht 4.80 million. (December 31, 2016: Baht 7.53 million).

14. INTANGIBLE ASSETS - NET

Movements of the intangible asset - net account during the nine-month period ended September 30, 2017 are summarized below:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Net book value as at January 1, 2017	10,806,052.51	4,146,878.57
Addition - cost	2,654,750.20	1,086,953.40
Disposal - net book value at the date of disposal	(160,856.12)	-
Amortization	(937,870.23)	(375,318.09)
Net book value as at September 30, 2017	12,362,076.36	4,858,513.88

15. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at September 30, 2017 and December 31, 2016 comprised:

	Interest rate (%)		Unit: Baht			
	As at	As at	Consolidated financial		Separate financial	
	September 30,	December 31,	statements		statements	
	2017	2016	2017	2016	2017	2016
Trust receipt	MLR-1.00%, 9.25%	MLR-1.00%	4,697,610.15	710,961.50	3,671,375.29	-
Total			4,697,610.15	710,961.50	3,671,375.29	-

As at September 30, 2017, the Group has short-term trade financing facilities from financial institutions according to loan agreements with a total maximum credit limit of Baht 331.00 million and in foreign currency in the amount of US Dollars 2.37 million (December 31, 2016: Baht 315.00 million and US Dollars 2.37 million). Trade financing facilities include short-term loans, letters of credit, trust receipts and banks' letters of guarantee. The Group's fixed deposits were pledged as collateral against such facilities (Note 8 and 27.3).

16. TRADE AND OTHER PAYABLES

Trade and other payables as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Trade payables - other parties	60,685,229.40	64,616,427.33	51,675,475.61	57,084,162.04
Trade payables - related party	-	-	250,583.30	3,049.50
Total trade payables	60,685,229.40	64,616,427.33	51,926,058.91	57,087,211.54
Other payables				
Other payables - related party	35,743.55	-	-	1,187,729.73
Advances receipt - related parties	261,366.91	1,244,307.39	290,856.70	43,100.00
Other payables	5,519,499.57	7,079,892.18	4,491,708.66	3,760,790.86
Commission payables	14,769,797.94	17,763,573.83	14,769,797.94	17,763,573.83
Accrued interest expenses	4,919,424.68	925,397.26	4,919,424.68	925,397.26
Accrued expenses	7,424,584.52	6,400,078.75	3,572,524.23	3,683,563.49
Accrued bonus expenses	3,947,143.32	-	3,380,477.76	-
Revenue Department payable	516,504.28	172,145.89	-	-
Withholding tax	1,745,082.31	2,093,641.86	1,412,846.67	1,285,375.10
Lessee's deposit	800,000.00	-	-	-
Retentions	358,094.06	1,200,089.25	-	-
Total other payables	40,297,241.14	36,879,126.41	32,837,636.64	28,649,530.27
Total trade and other payables	100,982,470.54	101,495,553.74	84,763,695.55	85,736,741.81

17. SHORT-TERM DEBENTURES

The Ordinary General Meeting of Shareholders, held on April 28, 2016, approved to issue and offer debentures to investors that bear a 12-month maturity term., and that are name-registered certificate and unsubordinated, unsecured, amortized or bullet payment, with or without a debenture holders' representative, whose maximum value is Baht 200.00 million or the equivalent in other currencies.

As at September 30, 2017, the Company has debentures in the amount of Baht 100.00 million, that is name-registered certificate, unsubordinated and unsecured, bullet payment and without debenture holders' representative as follows:

No.	Interest rate (% per annum)	Maturity date	Consolidated and separate financial statements	
			September 30, 2017	
			Number of debenture (Shares)	Amount (Baht)
No. 1/2016	5.40	October 27, 2017	50,000.00	50,000,000.00
No. 2/2016	5.00	October 27, 2017	30,000.00	30,000,000.00
No. 3/2016	5.70	October 27, 2017	10,000.00	10,000,000.00
No. 4/2016	5.70	October 27, 2017	10,000.00	10,000,000.00
Total			100,000.00	100,000,000.00

In October 2017, the Company redeemed above debentures in the entire amount.

18. LONG-TERM LIABILITIES UNDER FINANCE LEASES

Long-term liabilities under finance lease as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Long-term liabilities under finance leases				
- Within 1 year	1,661,113.92	2,024,733.66	1,551,857.88	1,636,132.62
- Over 1 year but not over 5 years	2,027,243.74	3,273,079.18	1,990,825.06	3,154,718.47
<u>Less</u> Deferred interest expenses	(241,879.04)	(407,279.41)	(235,397.08)	(387,958.27)
Present value of long-term liabilities under finance leases	3,446,478.62	4,890,533.43	3,307,285.86	4,402,892.82
<u>Less</u> Current portion of long-term liabilities under finance leases	(1,514,951.82)	(1,815,446.45)	(1,411,690.84)	(1,441,806.22)
Net	1,931,526.80	3,075,086.98	1,895,595.02	2,961,086.60

The Company and a subsidiary entered into financial lease agreements to rent vehicles. The rental fee is payable on a monthly basis in the total amount of Baht 138,426.16 for 48 periods ending November 15, 2020.

19. EMPLOYEE BENEFIT OBLIGATIONS

Movements of the present value of employee benefit obligations for each of the nine-month periods ended September 30, 2017 and 2016 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Employee benefit obligations as at January 1,	7,074,285.02	5,196,308.44	5,306,595.00	4,056,283.97
Included in profit or loss:				
Current service cost	712,160.36	753,275.28	478,169.44	466,776.03
Interest cost	160,320.96	147,797.22	107,941.42	111,899.97
Actuarial loss on defined employee benefit plans	-	676,546.56	-	478,743.03
Transfer out of employee within the Group	-	-	(819,910.23)	-
Included in other comprehensive income	-	-	-	-
Employee benefit obligations as at September 30,	<u>7,946,766.34</u>	<u>6,773,927.50</u>	<u>5,072,795.63</u>	<u>5,113,703.00</u>

20. DEFERRED TAX

Movements in deferred tax assets and deferred tax liabilities during the nine-month periods ended September 30, 2017 and 2016 were as follows:

	Unit : Baht							
	Consolidated financial statements			Separate financial statements				
	As at January 1, 2017	Profit (loss)	Other comprehensive of income	As at September 30, 2017	As at January 1, 2017	Profit (loss)	Other comprehensive of income	As at September 30, 2017
Deferred tax assets - net								
Allowance for doubtful accounts	2,653,569.79	(722,015.97)	-	1,931,553.82	1,952,753.56	(204,571.87)	-	1,748,181.69
Allowance for obsolete of inventories	729,439.61	89,672.89	-	819,112.50	581,068.86	61,918.01	-	642,986.87
Employee benefit obligations	1,391,775.60	(134.86)	-	1,391,640.74	1,061,319.00	(46,759.87)	-	1,014,559.13
Difference of depreciation	-	7,575.34	-	7,575.34	-	92,692.42	-	92,692.42
Total	<u>4,774,785.00</u>	<u>(624,902.60)</u>	<u>-</u>	<u>4,149,882.40</u>	<u>3,595,141.42</u>	<u>(96,721.31)</u>	<u>-</u>	<u>3,498,420.11</u>

Unit : Baht

	Consolidated financial statements				Separate financial statements			
	As at		Other	As at	As at		Other	As at
	January	Profit	comprehensive	September	January	Profit	comprehensive	September
	1, 2017	(loss)	of income	30, 2017	1, 2017	(loss)	of income	30, 2017
Deferred tax liabilities - net								
Employee benefit obligations	-	188,006.18	-	188,006.18	-	-	-	-
Tax depreciation - investment properties	-	(108,286.56)	-	(108,286.56)	-	-	-	-
Gain on fair value adjustment of investment properties	-	(5,027,440.80)	-	(5,027,440.80)	-	-	-	-
Liability for guarantee refund to lessee	-	72,537.99	-	72,537.99	-	-	-	-
Total	-	(4,875,183.19)	-	(4,875,183.19)	-	-	-	-

Unit : Baht

	Consolidated financial statements				Separate financial statements			
	As at		Other	As at	As at		Other	As at
	January	Profit	comprehensive	September	January	Profit	comprehensive	September
	1, 2016	(loss)	of income	30, 2016	1, 2016	(loss)	of income	30, 2016
Deferred tax assets - net								
Allowance for doubtful accounts	2,247,699.76	213,848.08	-	2,461,547.84	1,720,267.73	213,848.08	-	1,934,115.81
Allowance for obsolete Inventories	596,066.72	(70,428.30)	-	525,638.42	525,638.42	-	-	525,638.42
Employee benefit obligations	1,023,775.82	178,316.40	132,733.18	1,334,825.40	811,256.79	115,735.20	95,748.61	1,022,740.60
Total	3,867,542.30	321,736.18	132,733.18	4,322,011.66	3,057,162.94	329,583.28	95,748.61	3,482,494.83

All subsidiaries have unutilized tax loss carried forward as at September 30, 2017 and December 31, 2016 in the amounts of Baht 44.65 million and Baht 28.76 million, respectively. As such subsidiaries will not have sufficient taxable profit to utilize unused tax loss as a tax credit, Management, therefore, will not account for the deferred tax on these unutilized tax losses carried forward in the financial statements.

21. INCOME TAX EXPENSES

Income tax expenses for the nine-month periods ended September 30, 2017 and 2016 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current tax expense				
Current period	7,642,146.02	3,475,792.79	7,642,146.02	3,356,587.24
Deferred tax expense				
Movements in temporary differences				
- Deferred tax assets - net	624,902.60	(321,736.18)	96,721.31	(329,583.28)
- Deferred tax liabilities - net	4,875,183.19	-	-	-
Income tax expenses	13,142,231.81	3,154,056.61	7,738,867.33	3,027,003.96

22. SHARE CAPITAL

On April 28, 2016, the Annual General Shareholders' Meeting resolved to:

- Decrease the registered capital from 1,424,999,875 shares at Baht 0.10 per share totaling of Baht 142,499,987.50, to the newly registered capital of 1,417,404,122 shares at Baht 0.10 per share totaling of Baht 141,740,412.20 for cancelling remaining unsubscribed shares reserved for the exercise of rights under the previous warrant issue. The Company registered the capital decrease with the Ministry of Commerce on May 11, 2016.
- Increase the registered capital from 1,417,404,122 shares at Baht 0.10 per share totaling of Baht 141,740,412.20, to the newly registered capital of 2,047,361,510 shares at Baht 0.10 per share totaling of Baht 204,736,151.00 in order to invest in a Senior Living Project, increase the Company's liquidity and working capital, and to strengthen the Company's capital basis in preparation for raising capital for future investment and as a reserve for the exercise of warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2). The Company registered the capital increase with the Ministry of Commerce on May 12, 2016. The allotments of the capital increase are as follows:

- 1) A maximum of 314,978,694 ordinary shares, at Baht 0.10 per share, to the Company's existing shareholders in proportion to their shareholding at the subscription ratio of 4.50 existing share to 1.00 new ordinary share, whereby the shareholders shall have the right to subscribe for shares in excess of their entitlement at an offer price of Baht 0.50 per share.

During the second quarter of 2016, existing shareholders exercised rights to subscribe 278,576,554 shares, at Baht 0.10 per share. As a result, the registered capital totaled 1,695,980,676 shares at Baht 0.10 per share totaling Baht 169,598,067.60, and the share capital premium totaled Baht 109,055,084.60. The Company registered the capital increase with the Ministry of Commerce on June 20, 2016.

- 2) A maximum of 314,978,694 shares as a reserve for the exercise of warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2) which will be allotted to the Company's existing shareholders who subscribe for the capital increase of ordinary share in proportion to their shareholding and in excess of their entitlement.

Features of Warrants allotted to existing shareholders

Type:	Registered and transferable warrants for the purchase of ordinary shares
Offering units:	278,576,554 units
Offer price per unit:	Baht 0.00 (Baht Zero)
The date of issue and offering:	July 1, 2016
Term:	2 years 6 months from the date of issue and offering
Exercise ratio:	1 warrant: 1 ordinary share
Exercise price:	One warrant unit is entitled to purchase one ordinary share at Baht 0.50 per share.
Exercise of Warrants:	Warrant holders may exercise their warrants on the last business day of each quarter.

Market for Alternative Investment of Thailand (mai) has granted a listing of certificates representing the rights to purchase shares (warrants) of the Company from July 12, 2016. As at September 30, 2017, there has been no exercise of such warrants.

23. EARNINGS PER SHARE

For the three-month and nine-month periods ended September 30, 2017 and 2016, there are no diluting effects from warrant conversions because the exercise price exceeds the fair value of the ordinary shares. As such, there is no dilution of earnings per share.

24. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Company must appropriate annual net profit as a reserve fund of not less than 5% of the annual net profit deducted by the total deficit brought forward (if any) until reserve reaches an amount no less than 10% of the registered capital. This legal reserve is not available for dividend distribution.

25. PROVIDENT FUND

For the nine-month period ended September 30, 2017, the Group's contributions to the provident fund are Baht 1.62 million. (2016: Baht 1.47 million)

26. FINANCIAL INFORMATION BY SEGMENT

Segment information is presented with respect to the Group's business segment which based on the Group's Management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, other income, selling expenses, administrative expenses and finance costs.

The Group's business segment information and reconciliation of reportable segment profit or loss for the three-month periods ended September 30, 2017 and 2016 was as follows:

Unit: Thousand Baht

	Sales of construction				Senior Living Project		Unallocated assets		Elimination of inter-segment revenue		Consolidated financial statements	
	materials		Selling and installing		2017	2016	2017	2016	2017	2016	2017	2016
	2017	2016	2017	2016								
Revenue from sales and services	118,617.45	104,780.75	27,080.91	24,829.99	-	-	-	-	-	-	145,698.36	129,610.74
Inter-segment revenue	97.52	2,039.16	291.22	76.97	-	-	-	-	(388.74)	(2,116.13)	-	-
Cost of sales and services	(81,526.08)	(78,460.47)	(22,039.20)	(20,937.50)	-	-	-	-	1,789.94	2,450.79	(101,775.34)	(96,947.18)
Segment gross profit	37,188.89	28,359.44	5,332.93	3,969.46	-	-	-	-	1,401.20	334.66	43,923.02	32,663.56
Other income					-	-	2,825.88	2,022.50	(1,526.87)	(789.76)	1,299.01	1,232.74
Selling expenses					(5,171.42)	-	(12,978.72)	(13,153.06)	9.31	-	(18,140.83)	(13,153.06)
Administrative expenses					(4,462.94)	(2,280.52)	(17,231.56)	(19,102.32)	10.50	(13.85)	(21,684.00)	(21,396.69)
Loss on impairment of investment in subsidiary					-	-	(2,729.56)	-	2,729.56	-	-	-
Finance costs					4,809.22	(17.00)	(6,630.27)	(2,036.72)	1,382.98	440.16	(438.07)	(1,613.56)
Profit (loss) before income tax expenses					(4,825.14)	(2,297.52)	(36,744.23)	(32,269.60)	4,006.68	(28.79)	4,959.13	(2,267.01)
Income tax expenses					(27.92)	-	(2,907.33)	(929.11)	-	-	(2,935.25)	(929.11)
Net profit (loss) for the period					(4,853.06)	(2,297.52)	(39,651.56)	(33,198.71)	4,006.68	(28.79)	2,023.88	(3,196.12)

The Group's business segment information and reconciliation of reportable segment profit or loss for the nine-month periods ended September 30, 2017 and 2016 were as follows:

Unit: Thousand Baht

	Sales of construction				Senior Living Project				Elimination of inter-		Consolidated financial	
	materials		Selling and installing		Unallocated assets		segment revenue		statements			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from sales and services	320,390.48	305,579.00	83,386.09	86,921.14	-	-	-	-	-	-	403,776.57	392,500.14
Inter-segment revenue	465.31	6,523.55	409.66	2,634.95	-	-	-	-	(874.97)	(9,158.50)	-	-
Cost of sales and services	(217,385.85)	(224,945.25)	(68,372.91)	(71,940.47)	-	-	-	-	4,094.37	9,206.91	(281,664.39)	(287,678.81)
Segment gross profit	103,469.94	87,157.30	15,422.84	17,615.62	-	-	-	-	3,219.40	48.41	122,112.18	104,821.33
Other income					7.50	-	13,948.18	5,572.36	(4,653.53)	(1,089.19)	9,302.15	4,483.17
Gain on fair value adjustment of investment properties					25,137.20	-	-	-	-	-	25,137.20	-
Selling expenses					(9,705.82)	-	(36,672.10)	(37,716.68)	17.71	-	(46,360.21)	(37,716.68)
Administrative expenses					(11,537.80)	(3,613.25)	(48,277.22)	(62,139.94)	31.50	(1,023.87)	(59,783.52)	(66,777.06)
Loss on impairment of investment in subsidiary					-	-	(2,729.56)	-	2,729.56	-	-	-
Finance costs					(38.04)	(17.00)	(5,309.12)	(4,618.43)	4,031.90	718.58	(1,315.26)	(3,916.85)
Profit (loss) before income tax expenses					3,863.04	(3,630.25)	(79,039.82)	(98,902.69)	5,376.54	(1,346.07)	49,092.54	893.91
Income tax expenses					(4,875.18)	-	(8,267.05)	(3,154.06)	-	-	(13,142.23)	(3,154.06)
Net profit (loss) for the period					(1,012.14)	(3,630.25)	(87,306.87)	(102,056.75)	5,376.54	(1,346.07)	35,950.31	(2,260.15)

The reconciliations of each segment total assets to the Group's assets and other material items as at September 30, 2017 and December 31, 2016 were as follows:

	Unit: Thousand Baht											
	Sale of construction material		Interior design and installation		Senior Living Project		Unallocated assets		Elimination of inter-segment revenue		Consolidated financial statements	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Non-current assets												
Restricted deposits with financial institutions	38,750.00	38,750.00	1,500.00	1,500.00	-	-	-	-	-	-	40,250.00	40,250.00
Investment in debt securities held to maturity - net	11,216.28	-	-	-	-	-	-	-	-	-	11,216.28	-
Senior living project under Development	-	-	-	-	132,570.49	126,183.42	-	-	(103.31)	(403.10)	132,467.18	125,780.32
Investment properties - net	-	-	-	-	62,500.00	-	-	-	-	-	62,500.00	-
Building and equipment - net	12,024.61	14,218.04	5,982.98	8,411.51	13,603.42	2,994.82	575.46	707.94	-	(414.67)	32,186.47	25,917.64
Intangible asset - net	4,858.51	4,146.88	6,817.32	6,504.21	686.25	154.96	-	-	-	-	12,362.08	10,806.05
Deferred tax assets - net	3,498.42	3,595.15	651.46	1,179.64	-	-	-	-	-	-	4,149.88	4,774.79
Other non-current assets	959.23	1,239.60	3,509.36	3,100.11	592.96	-	101.80	98.72	-	-	5,163.35	4,438.43
Total non-current assets	71,307.05	61,949.67	18,461.12	20,695.47	209,953.12	129,333.20	677.26	806.66	(103.31)	(817.77)	300,295.24	211,967.23

For the nine-month periods ended September 30, 2017 and 2016, the Group has a major customer accounting for sales of construction material in the amounts of Baht 38.32 million and Baht 39.50 million, respectively.

Geographical segments information

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. In addition, the Group has insignificant assets located in foreign countries.

The Group's geographical segment information for the three-month and nine-month periods ended September 30, 2017 and 2016 was as follows:

	Unit: Thousand Baht							
	Thailand		Foreign countries		Elimination of inter-segment revenue		Consolidated financial statements	
	2017	2016	2017	2016	2017	2016	2017	2016
For the three-month period ended September 30, 2017								
Revenue from sales and services	119,515.66	118,131.94	26,571.44	13,594.94	(388.74)	(2,116.13)	145,698.36	129,610.75
For the nine-month periods ended September 30, 2017								
Revenue from sales and services	334,944.95	327,688.97	69,706.59	73,969.67	(874.97)	(9,158.50)	403,776.57	392,500.14

27. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

27.1 Operating leases and service agreements

As at September 30, 2017, the Group entered into long-term rental agreements with third parties for land, building, cars and services for periods of 1 year to 5 years. The commitment to repay leases and service fees, according to agreements, are summarized as follows:

Year	Unit: Baht
Within 1 year	8,968,628.68
Over 1 year but not over 5 years	11,803,566.35

27.2 Capital expenditure

As at September 30, 2017, the subsidiary company has several construction contracts. The subsidiary company has commitment under these contracts totaling amount of Baht 13.04 million. (December 31, 2016: Baht 28.64 million).

27.3 Bank guarantee issued by financial institutions

As at September 30, 2017 the Group has outstanding commitments and contingent liabilities with financial institutions as follows:

	Consolidated financial statements					
	Unit: Million Baht			Unit: Million US Dollars		
	Credit limit	Used	Unused	Credit limit	Used	Unused
1) Bank overdrafts	21.00	-	21.00	-	-	-
2) Short-term loan - trust receipts, letters of credit and promissory notes	159.38*	(4.70)	154.68	1.14	-	1.14
3) Forward contract	45.00*	-	45.00	1.23	-	1.23
4) Letter of guarantee	105.62*	(43.93)	61.69	-	-	-
	<u>331.00</u>	<u>(48.63)</u>	<u>282.37</u>	<u>2.37</u>	<u>-</u>	<u>2.37</u>

* Joint credit limit of the Company and a subsidiary

As at September 30, 2017, the Group had letters of guarantee issued by financial institutions for payment of goods to certain suppliers amounting to Baht 43.93 million.

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and can maintain the ability of the Group to continue its business as a going concern.

According to the statement of financial position as at September 30, 2017, the Group and the Company's debt-to-equity ratio were 0.82: 1.00 and 0.52: 1.00 respectively (December 31, 2016: 0.74: 1.00 and 0.56: 1.00)

29. Events after the date of the financial statements

Board of Directors' Meeting No. 4/2017, held on November 13, 2017, resolved to:

1. Invest in Teak Sukhumvit 39 project ("the Project"), an 8 storey low-rise condominium, by acquiring the Project from LKH Development Company Limited at the price of Baht 145.00 million. Said price comprises both land costs and preliminary expenses. The Company will acquire land ownership rights, licensing rights, and booking contracts.
2. Establish "Teak Development Company Limited ("TDev")," a new subsidiary to operate the Project and a future real estate project. TDev will have a registered capital of Baht 1.00 million comprising 10,000 ordinary shares, with a par value of Baht 100 per share, with BSM holding 100 percent of registered capital of such subsidiary.
3. Pass this agenda item to the Extraordinary General Meeting for its approval to issue and offer, for Private Placement, 200,000,000 new ordinary shares with a par value of Baht 0.10 per share. The Company is offering the Private Placement shares at the price of Baht 0.65 per share, totaling Baht 130.00 million, to Mr. Warut Panupattanapong and three other persons as mentioned in the MOU between the Company and Mr. Warut Panupattanapong, dated September 25, 2017. The Company will use proceeds from such transaction to invest in the subsidiary to purchase the Project. The Private Placement offer date is January 15, 2018.
4. Pass this agenda item to the Extraordinary General Meeting for its approval to decrease the registered capital by cancelling 72,804,280 unsold ordinary shares with a par value of Baht 0.10 per share, equivalent to Baht 7,280,428.00, from the registered capital of Baht 204,736,151.00, by way of a decrease of the reserve of 36,402,140 ordinary shares for subscription by the Company's existing shareholders in proportion to their shareholding (Right Offering) and a decrease of the reserve of 36,402,140 ordinary shares for the exercise of warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2) where, after said capital decrease, the Company will have a registered capital of Baht 197,455,723.00.
5. Pass this agenda item to the Extraordinary General Meeting for its approval to increase of the registered capital by issuing 210,585,910 new ordinary shares with a par value of Baht 0.10 per share, equivalent to Baht 21,058,591.00, from the registered capital of Baht 197,455,723.00 to yield Baht 218,514,314.00 to accommodate the Private Placement offer and to accommodate the adjusted warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2).
6. Allocate the newly issued shares for the Private Placement offer and to accommodate the warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2) as follows:
 - 6.1 200,000,000 newly issued shares with a par value of Baht 0.10 per share for the Private Placement at the offer price of Baht 0.65.
 - 6.2 10,585,910 newly issued shares with a par value of Baht 0.10 per share to accommodate the adjusted warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2) as follows:

Where the Private Placement offer price is lower

than 90% of market price	Original	Adjustment
Exercise price	Baht 0.50 per share	Baht 0.481 per share
Exercise ratio	One warrant unit has the right to purchase one ordinary share	One warrant unit has the right to purchase 1.038 ordinary shares

Where the Private Placement offer price is lower

than 90% of market price	Original	Adjustment
Remaining BSM-W2	278,576,554 units	278,576,554 units
Number of new ordinary shares to accommodate the Warrants	-	10,585,910 shares

Remark: The calculation of the warrant rights adjustment to purchase the Company's Ordinary Shares No.2 (BSM-W2) is calculated from the projected future market price of the Company's ordinary shares and will change after the Private Placement offer on January 15, 2018.

30. RECLASSIFICATION

The Group has reclassified certain accounts in the statement of financial position as at December 31, 2016, and the statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2016, to conform to the current period's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

Account	Unit: Baht					
	Consolidated financial statements			Separate financial statements		
	As previously reported	Reclassified amount	As reclassified	As previously reported	Reclassified amount	As reclassified
<u>Statement of financial position</u>						
Investment properties - net	126,926,224.50	(1,145,901.76)	125,780,322.74	-	-	-
Building and equipment - net	24,771,739.60	1,145,901.76	25,917,641.36	-	-	-
<u>Statement of profit or loss and other comprehensive income</u>						
The three-month period						
Other income	1,226,738.56	6,000.00	1,232,738.56	1,107,578.91	6,000.00	1,113,578.91
Bad debt recoverable	6,000.00	(6,000.00)	-	6,000.00	(6,000.00)	-
The nine-month period						
Other income	4,456,169.26	27,000.00	4,483,169.26	2,848,434.24	27,000.00	2,875,434.24
Bad debt recoverable	27,000.00	(27,000.00)	-	27,000.00	(27,000.00)	-

31. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's Board of Directors on November 13, 2017.